# REPORT MUNICIPALITY

## DRAFT ANNUAL BUDGET

## 2017-18

uMfolozi Local Municipality

Prepared in terms of the Local Government: Municipal Finance Management Act No. 56 of 2003: Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May 2009.

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**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

**MFMA** – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

**MIG** – Municipal Infrastructure Grant.

**MTREF –** Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

**Operating expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages.

**Rates –** Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic objectives –** The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Unauthorised expenditure –** Generally, is spending without, or in excess of, an approved budget.

**Virement** – A transfer of budget.

**Virement policy** - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

**Vote** – One of the main segments into which a budget. In uMfolozi Municipality this means at directorate level.

# PART 1 – DRAFT ANNUAL BUDGET

## Section 1 – Mayor's Report

Speaker, members of the Executive Committee, Councillors, Municipal Manager and heads of departments;

It is imperative to this council to state that, this budget is presented in terms of the Municipal Finance Management Act No. 56 of 2003 section 16(2); the mayor of the municipality must table the annual draft budget at a council meeting at least 90 days before the start of the budget year. The draft budget and Medium Term Revenue and Expenditure have been compiled in terms of the provisions of the Local Government: Municipal Finance Management Act, MFMA Circulars 85, as well as the MFMA Budget and Reporting Regulations.

All necessary precaution have been followed that this budget is appropriately aligned to the reviewed Integrated Development Plan. The tabling and publication of this draft annual budget is aimed at soliciting the public to comment so as to ensure that the budget truly represents the needs of a Community.

### 1.1.2 Other relevant information

The report is unaudited.

## Section 2 – Resolution

On the 24th of March 2017 the Council of uMfolozi Local Municipality met at the Council Chambers of uMfolozi Municipality to consider the approval of the following:

- Approve Draft Budget Annual Budget Schedules
- Approve A1 to A10 Draft Annual Budget Schedules
- Approve SA1 to SA38 Draft Annual Budget supporting tables
- Approval of all budget related policies
- Approval of rates and tariff charges

The council of uMfolozi Local Municipality , acting in terms of section 24 of the MFMA 56 of 2003 approves and adopts the annual budget of the municipality for the financial year 2017/18 and the multi- year appropriation. Refer to Council Resolution.

The council of uMfolozi Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2017 the Tariff Structure of municipal services.

# Section 3 – Executive Summary

## 3.1 INTRODUCTION

The application of sound financial management principles for the compilation of municipality's financial plan is essential and critical to ensure that the municipality remains financial viable and that municipal service are provided sustainably, economically and equitably to all communities. Budget are prepared in an environment of uncertainty and assumptions need to be made about both
Internal and external factors that could impact on the budget during the course of the financial year.

Practices (GRAP), MFMA No. 56 of 2003. The budget has been compiled on a three year basis which is a legislative requirement. The draft budget documentation must be
tabled to Council not later than 31 March 90 days before the start of the budget year and final budget to be adopted by 31 May.

The overall budget amounts to R177, 5 million which is 2% high that the 2016/2017 budget. The projected overall spending for the year 2017/2018 amounts to R117.5 million in the operating budget and R60 million in the capital budget.

The total estimated operational revenue R177, 5 million for 2017/2018 from own sources is the estimation of R23 million and estimated R154 million from National Treasury, Provincial Treasury as grants and subsidies.

The employee costs amounts to R51, 5 million which represent 43.80% of the full year forecast of operating expenditure. This includes the vacant post which has not yet been filled.

The municipality existence of budget related policies ensure the proper monitoring of municipal budget; the existence of the policies is useful in monitoring the expenditure throughout the financial year.

**Events Overview:**

- The 2017/2018 Draft Integrated Development Plan and Service Delivery and Budget Implementation Plan were adopted on the 24th of March 2017.
- uMfolozi Local Municipality subsequently received an unqualified audit opinion for the year 2016/17..
- The Budget will be monitored through section 71 reports monthly.
- The budget is prepared is Municipal Standard Charts of Accounts compliant.
-

**Municipal Standard Charts of Accounts implementation to date (mSOA)**

**Achievements to date**

- Drafting of planning documents and mSCOA awareness by conducting kick-off workshop meeting.

- Assessment of ICT infrastructure for compatibility and ensuring that it meets minimum requirements of various systems.
- Alignment of IDP/SDBIP to mSCOA segments including breaking down of budget per activity.
- Analysing and configuration of business processes
- Assigning current charts of accounts votes to mSCOA votes for take on balances
- Creation of Charts of accounts as per IDP/SDBIP
- Draft Budget has been captured on the mSCOA module
- The municipality is doing the parallel run on VIP and Payday system.

**Going Forward the following milestones has to be achieved before June 2017**

- Quality checks of integration to third party systems.
- Ensure that mSCOA segments are available on the live database
- Setting up budgets based on the mSCOA budgets and incorporating splits as per IDP/SDBIP
- Creation of lead schedule for audit trail purposes
- Training for all municipal staff on mSCOA
- User processing in mSCOA database and running reports to test full system functionality on
- mSCOA database.
- Go live before June 2017.

## 3.2 PURPOSE

Municipal Finance Management Act No. 56 of 2003 section 16(2); the mayor of the municipality must table the annual draft budget at a council meeting at least 90 days before the start of the budget year. The draft budget and Medium Term Revenue and Expenditure have been compiled in terms of the provisions of the Local Government: Municipal Finance Management Act, MFMA Circulars 85, as well as the MFMA Budget and Reporting Regulations.

The tabling of 2017/18 draft annual budget to council.

## 3.3 STRATEGIC OBJECTIVE

The strategic objective of this report is to ensure good governance, financial viability and optimal institutional transformation with capacity to execute its mandate.

**Section 21 of the MFMA (act 56 of 2003) requires that:**

(1)The mayor of a municipality must-

(a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;

(b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines.

## 3.4 CONSOLIDATED PERFORMANCE

### 3.4.1 Draft annual budget

**Revenue by source**

The municipality revenue has been estimated to be R177; 5 million while the equitable share is projected to be R107 million, EPWP grant R1.4 million, FMG R1, 9 million, INEP R13 million and MIG R26, 6 million for the financial year 2017/18.

Revenue from refuse removal is R338k. It is important to note that revenue from property rates is still experiencing poor collection but it should be taken into consideration that negotiation with rates payers to ensure that the services are paid on time.

**Operating expenditure by type**

Total operating expenditure has been estimated to R117.5 million. The budgeted allocation for employee related costs for the 2017/18 financial year totals R51, 5 million, which equals 43.8 per cent of the total operating expenditure. Expenditure against overtime is only provided for emergency services and other critical functions.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

**Cash flows**

The municipality began the financial year with positive cash & cash equivalents. Cognisance must be taken of the current commitment against the available cash and investments. This is due grants received such as Equitable Share R107 million; FMG R1.9 million; Library Grant R1.4 million; EPWP R1.649 million; MIG R26.0 million; INEG R13 million.

The above mentioned grants have been monitored accordingly in order to improve the cash flows of the municipality and ensure compliance in spending.

**Capital expenditure**

Capital expenditure has been estimated to R60 million. The capital expenditure includes the budget for the Construction of New Thusong Centre.

## 3.5 CONCLUSION

Performance of revenue situation will be monitored closely. Operating expenditure will also be closely monitored to ensure appropriation of expenditure according to the budget.

# Section 4–Draft Annual budget tables

**Table A1: Budget Summary**

The draft annual budget amounts to R177.5 million while the operating expenditure amounts to R117.5 million. Property rates has been increased by 5.5% which amounts to R5.9 million while the Service Charges which is refuse removal has been also affected by the same tariff increase as property rates.
The municipality has also anticipated the interest on investment for an amount of R800k while government grants amounts to R111,9 million excluding capital grants

The employee related cost has amounts to R51.5 million which is 43.8% of total operating budget. The capital expenditure amounts to R60 million rand, of which R26 million is allocated for Municipal Infrastructure Projects for 2017/2018 financial year, the R13 Million is allocated for Integrated National Electrification Programme for Ocilwane area the remainder is allocated for completion of the New Thusong Centre.

**KZN281 Mfolozi - Table A1 Budget Summary**

| Description | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousands | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| **Financial Performance** | | | | | | | | | | |
| Property rates | 6 012 | 6 490 | 6 857 | 5 663 | 5 663 | 5 663 | 5 663 | 5 975 | 6 303 | 6 650 |
| Service charges | 264 | 279 | 312 | 320 | 320 | 320 | 320 | 338 | 356 | 376 |
| Investment revenue | 312 | 627 | 1 159 | 700 | 400 | 400 | 400 | 800 | 378 | 397 |
| Transfers recognised - operational | 63 719 | 84 975 | 110 211 | 132 714 | 136 714 | 136 714 | 136 714 | 111 909 | 117 739 | 121 256 |
| Other own revenue | 3 273 | 12 567 | 5 838 | 3 554 | 3 554 | 3 554 | 3 554 | 16 907 | 11 954 | 16 216 |
| **Total Revenue (excluding capital transfers and contributions)** | 73 580 | 104 938 | 124 377 | 142 951 | 146 651 | 146 651 | 146 651 | 135 929 | 136 730 | 144 895 |
| Employee costs | 21 555 | 23 467 | 27 307 | 38 188 | 37 261 | 37 261 | 37 261 | 42 515 | 45 878 | 48 515 |
| Remuneration of councillors | 7 298 | 7 919 | 8 439 | 8 890 | 8 989 | 8 989 | 8 989 | 8 988 | 9 168 | 9 500 |
| Depreciation & asset impairment | 5 742 | 4 632 | 6 301 | 2 270 | 2 270 | 2 270 | 2 270 | 2 400 | 2 520 | 2 646 |
| Finance charges | 177 | 310 | 332 | - | 750 | 750 | 750 | 500 | 400 | 250 |
| Materials and bulk purchases | - | - | - | - | - | - | - | - | - | - |
| Transfers and grants | 4 312 | 5 810 | 11 595 | 510 | 595 | 595 | 595 | 510 | 714 | 750 |
| Other expenditure | 32 772 | 54 273 | 66 321 | 63 093 | 67 213 | 67 213 | 67 213 | 62 639 | 70 250 | 75 044 |
| **Total Expenditure** | 71 856 | 96 411 | 120 295 | 112 951 | 117 078 | 117 078 | 117 078 | 117 552 | 128 930 | 135 705 |
| **Surplus/(Deficit)** | 1 724 | 8 527 | 4 111 | 30 000 | 29 573 | 29 573 | 29 573 | 18 377 | 7 800 | 8 190 |
| Transfers and subsidies - capital (monetary allocations) | 25 140 | 37 617 | 31 372 | 32 049 | 22 476 | 22 476 | 22 476 | 41 623 | 37 964 | 45 378 |
| Contributions recognised - capital & contributed assets | - | - | - | - | - | - | - | - | - | - |
| **Surplus/(Deficit) after capital transfers & contributions** | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 52 049 | 60 000 | 45 764 | 53 568 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - | - |
| **Surplus/(Deficit) for the year** | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 52 049 | 60 000 | 45 764 | 53 568 |
| **Capital expenditure & funds sources** | | | | | | | | | | |
| **Capital expenditure** | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 52 049 | 60 000 | 45 764 | 53 568 |
| Transfers recognised - capital | 26 864 | 46 144 | 35 484 | 32 049 | 43 049 | 43 049 | 43 049 | 41 623 | 41 964 | 41 000 |
| Public contributions & donations | - | - | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | 17 000 | 7 000 | 7 000 | 7 000 | 3 377 | - | - |
| Internally generated funds | - | - | - | 13 000 | 2 000 | 2 000 | 2 000 | 15 000 | 3 800 | 13 568 |
| **Total sources of capital funds** | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 52 049 | 60 000 | 45 764 | 54 568 |
| **Financial position** | | | | | | | | | | |
| Total current assets | 8 888 | 15 440 | 14 193 | 17 865 | 17 865 | 17 865 | 17 865 | 18 000 | 15 400 | 13 000 |
| Total non current assets | 95 622 | 141 001 | 183 960 | 91 723 | 82 023 | 82 023 | 82 023 | 95 320 | 98 350 | 95 375 |
| Total current liabilities | 21 365 | 25 397 | 32 007 | 10 170 | 10 170 | 10 170 | 10 170 | 9 500 | 8 500 | 8 000 |
| Total non current liabilities | 1 550 | 3 361 | 2 979 | 17 000 | 7 000 | 7 000 | 7 000 | - | - | - |
| Community wealth/Equity | 81 596 | 127 683 | 163 167 | 82 418 | 82 718 | 82 718 | 82 718 | 103 820 | 105 250 | 100 375 |
| **Cash flows** | | | | | | | | | | |
| Net cash from (used) operating | 26 730 | 50 907 | 47 431 | 45 049 | 48 692 | 48 692 | 48 692 | 20 777 | 10 320 | 10 835 |
| Net cash from (used) investing | (29 089) | (50 068) | (49 292) | (62 049) | (52 049) | (52 049) | (52 049) | (18 377) | (7 800) | (8 190) |
| Net cash from (used) financing | 1 669 | 2 194 | (1 117) | 17 000 | 5 500 | 5 500 | 5 500 | (1 000) | (500) | (400) |
| **Cash/cash equivalents at the year end** | 156 | 3 188 | 211 | 1 891 | 2 354 | 2 354 | 2 354 | 3 754 | 5 774 | 8 020 |
| **Cash backing/surplus reconciliation** | | | | | | | | | | |
| Cash and investments available | 156 | 3 188 | 211 | 8 607 | 8 607 | 8 607 | 8 607 | 11 500 | 10 400 | 8 500 |
| Application of cash and investments | 13 858 | 21 694 | 27 234 | 911 | 646 | 646 | 646 | 3 000 | 3 500 | 3 500 |
| **Balance - surplus (shortfall)** | (13 702) | (18 506) | (27 023) | 7 695 | 7 961 | 7 961 | 7 961 | 8 500 | 6 900 | 5 000 |
| **Asset management** | | | | | | | | | | |
| Asset register summary (WDV) | 140 957 | 95 545 | 180 873 | 45 349 | 45 349 | 45 349 | 41 623 | 41 623 | 37 964 | 45 378 |
| Depreciation | 5 742 | 4 632 | 6 301 | 2 270 | 2 270 | 2 270 | 2 400 | 2 400 | 2 520 | 2 646 |
| Renewal of Existing Assets | - | - | - | - | - | - | - | 28 500 | 17 000 | 15 000 |
| Repairs and Maintenance | 2 446 | 1 190 | 5 154 | 5 000 | 4 750 | 4 750 | 8 600 | 8 600 | 5 187 | 5 465 |
| **Free services** | | | | | | | | | | |
| Cost of Free Basic Services provided | - | - | - | - | - | - | - | - | - | - |
| Revenue cost of free services provided | 3 674 | 3 909 | 4 113 | - | - | - | 1 525 | 1 525 | 1 826 | 1 527 |
| **Households below minimum service level** | | | | | | | | | | |
| Water: | - | - | - | - | - | - | - | - | - | - |
| Sanitation/sewerage: | - | - | - | - | - | - | - | - | - | - |
| Energy: | - | - | - | - | - | - | - | - | - | - |
| Refuse: | - | - | - | - | - | - | - | - | - | - |

## Table A2: Budgeted Financial Performance – Standard Classification

The draft annual budget amounts to R177.5 million while the capital expenditure amounts to R60 million for 2017/2018 financial year.

KZN281 Mfolozi - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

| Functional Classification Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Revenue - Functional | | | | | | | | | | |
| *Governance and administration* | | 65 380 | 94 738 | 112 677 | 129 451 | 130 651 | 130 651 | 117 929 | 114 630 | 120 595 |
| Executive and council | | 20 000 | 32 000 | 35 500 | 39 000 | 40 000 | 40 000 | 38 000 | 39 000 | 41 000 |
| Finance and administration | | 45 380 | 62 738 | 77 177 | 90 451 | 90 651 | 90 651 | 79 929 | 75 630 | 79 595 |
| Internal audit | | – | – | – | – | – | – | – | – | – |
| *Community and public safety* | | – | – | – | – | – | – | – | – | – |
| Community and social services | | – | – | – | – | – | – | – | – | – |
| Sport and recreation | | – | – | – | – | – | – | – | – | – |
| Public safety | | – | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – |
| *Economic and environmental services* | | 6 200 | 7 700 | 8 700 | 8 000 | 8 000 | 8 000 | 9 500 | 10 000 | 10 500 |
| Planning and development | | – | – | – | – | – | – | – | – | – |
| Road transport | | 6 200 | 7 700 | 8 700 | 8 000 | 8 000 | 8 000 | 9 500 | 10 000 | 10 500 |
| Environmental protection | | – | – | – | – | – | – | – | – | – |
| *Trading services* | | 27 140 | 40 117 | 34 372 | 37 549 | 30 476 | 30 476 | 50 123 | 50 064 | 59 178 |
| Energy sources | | – | – | – | – | – | – | – | – | – |
| Water management | | – | – | – | – | – | – | – | – | – |
| Waste water management | | – | – | – | – | – | – | – | – | – |
| Waste management | | 27 140 | 40 117 | 34 372 | 37 549 | 30 476 | 30 476 | 50 123 | 50 064 | 59 178 |
| *Other* | 4 | – | – | – | – | – | – | – | – | – |
| Total Revenue - Functional | 2 | 98 720 | 142 555 | 155 749 | 175 000 | 169 127 | 169 127 | 177 552 | 174 694 | 190 273 |
| Expenditure - Functional | | | | | | | | | | |
| *Governance and administration* | | 60 856 | 84 411 | 106 765 | 97 951 | 101 578 | 101 578 | 100 552 | 110 430 | 116 705 |
| Executive and council | | 11 500 | 13 000 | 14 000 | 16 000 | 18 000 | 18 000 | 19 500 | 20 500 | 21 500 |
| Finance and administration | | 49 356 | 71 411 | 92 765 | 81 951 | 83 578 | 83 578 | 81 052 | 89 930 | 95 205 |
| Internal audit | | – | – | – | – | – | – | – | – | – |
| *Community and public safety* | | 5 000 | 5 000 | 5 500 | 6 000 | 6 000 | 6 000 | 6 500 | 7 000 | 7 500 |
| Community and social services | | – | – | – | – | – | – | – | – | – |
| Sport and recreation | | – | – | – | – | – | – | – | – | – |
| Public safety | | 5 000 | 5 000 | 5 500 | 6 000 | 6 000 | 6 000 | 6 500 | 7 000 | 7 500 |
| Housing | | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – |
| *Economic and environmental services* | | 4 500 | 5 000 | 5 500 | 6 000 | 6 000 | 6 000 | 6 500 | 7 000 | 7 500 |
| Planning and development | | – | – | – | – | – | – | – | – | – |
| Road transport | | 4 500 | 5 000 | 5 500 | 6 000 | 6 000 | 6 000 | 6 500 | 7 000 | 7 500 |
| Environmental protection | | – | – | – | – | – | – | – | – | – |
| *Trading services* | | 1 500 | 2 000 | 2 500 | 3 000 | 3 500 | 3 500 | 4 000 | 4 500 | 5 000 |
| Energy sources | | – | – | – | – | – | – | – | – | – |
| Water management | | – | – | – | – | – | – | – | – | – |
| Waste water management | | – | – | – | – | – | – | – | – | – |
| Waste management | | 1 500 | 2 000 | 2 500 | 3 000 | 3 500 | 3 500 | 4 000 | 4 500 | 5 000 |
| *Other* | 4 | – | – | – | – | – | – | – | – | – |
| Total Expenditure - Functional | 3 | 71 856 | 96 411 | 120 265 | 112 951 | 117 078 | 117 078 | 117 552 | 128 930 | 136 705 |
| Surplus/(Deficit) for the year | | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 60 000 | 45 764 | 53 568 |

## Table A3: Budgeted Financial Performance (Revenue and Expenditure by municipal vote)

The draft annual budget amounts to R169 million, Capital Expenditure amounts to R52 million while operating expenditure amounts to R117 million

KZN281 Mfolozi - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Revenue by Vote | 1 | | | | | | | | | |
| EXECUTIVE AND COUNCIL | | 20 000 | 32 000 | 35 500 | 39 000 | 40 000 | 40 000 | 38 000 | 39 000 | 41 000 |
| FINANCIAL SERVICES | | 38 380 | 55 238 | 68 677 | 80 951 | 80 151 | 80 151 | 68 429 | 63 630 | 67 096 |
| CORPORATE SERVICES | | 9 000 | 10 000 | 11 500 | 13 000 | 14 500 | 14 500 | 16 000 | 18 500 | 19 500 |
| COMMUNITY SERVICES | | 6 200 | 7 700 | 8 700 | 10 000 | 12 000 | 12 000 | 13 500 | 15 600 | 17 300 |
| TECHNICAL SERVICES | | 25 140 | 37 617 | 31 372 | 32 049 | 22 476 | 22 476 | 41 623 | 37 964 | 45 378 |
| Vote 6 - [NAME OF VOTE 6] | | - | - | - | - | - | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 98 720 | 142 555 | 155 749 | 175 000 | 169 127 | 169 127 | 177 552 | 174 694 | 190 273 |
| Expenditure by Vote *to be appropriated* | 1 | | | | | | | | | |
| EXECUTIVE AND COUNCIL | | 11 500 | 13 000 | 14 000 | 16 000 | 18 000 | 18 000 | 19 500 | 20 500 | 21 500 |
| FINANCIAL SERVICES | | 4 716 | 15 411 | 39 765 | 26 451 | 26 578 | 26 578 | 13 552 | 25 930 | 22 205 |
| CORPORATE SERVICES | | 12 000 | 13 500 | 14 500 | 15 500 | 16 500 | 16 500 | 17 500 | 19 500 | 19 500 |
| COMMUNITY SERVICES | | 13 500 | 15 500 | 17 000 | 19 000 | 20 000 | 20 000 | 22 000 | 24 000 | 26 000 |
| TECHNICAL SERVICES | | 30 140 | 39 000 | 35 000 | 36 000 | 36 000 | 36 000 | 45 000 | 40 000 | 47 500 |
| Vote 6 - [NAME OF VOTE 6] | | - | - | - | - | - | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | - | - | - | - | - | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | - | - | - | - | - | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | - | - | - | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | - | - | - | - | - | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | - | - | - | - | - | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 71 856 | 96 411 | 120 265 | 112 951 | 117 078 | 117 078 | 117 552 | 128 930 | 136 705 |
| Surplus/(Deficit) for the year | 2 | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 60 000 | 45 764 | 53 568 |

**Table A4: Budgeted Financial Performance (Revenue and Expenditure)**

- Property rates budgeted at R5.9 million after taking into consideration the tariff charge increase of 5.5% and after taking into account revenue forgone estimates.
- Service Charges refuse revenue budgeted at R338k after taking into account the 5.5 tariff increment.
- Rental of Office building, Council is budgeted at R520k which take into account the amount that can be collected after the Thusong Centre has been completed. Example rental by IEC, SASSA and Home Affairs.
- Interest on external investments budgeted at R800k the assumption is that the municipality will be in the position to invest some equitable share that will be received from Treasury.
- Interest on outstanding debtors has not been budgeted for because the Council is not intending to have debtors which will be outstanding.
- Fines, penalties and forfeits is budgeted for at R800k taking into consideration the increase in Traffic personnel hence the Council has assume that the collection of traffic fines will improve.
- Licence and permit has been budgeted for at R400k which has anticipated as being realistic to collect the leaners licence income, building plans and business licences.
- Equitable share the municipality has been gazetted an amount of R107 million, Financial Management Grant an amount of R1.9 million has been gazetted. For Expanded Public Works Programme Grant has been gazetted an amount of R1.4 million and the Library grant has been gazetted an amount of R1.5 million. The total of R111 909 000 from Transfers and Subsidies included all the grants allocations mentioned above.
- Other income included Vat Refunds, Sale of tender documents and any other income without classification.
- Employee related cost is budgeted at R42.5 million which includes vacant posts. The estimated increase amount to 7.1% as recommended by circular number 85 of Municipal Finance Management Act.
- Remuneration of Councillors is currently budgeted for at 4% taking in to consideration the determination of upper limits for councillors.
- Depreciation is budgeted at R2.4 million taking in to consideration the methods of depreciation.
- Finance charges has been budgeted at R500k as a result of the loan of R7 million which was a results of loan which was taken to fund the Thusong Centre.
- Contracted services budgeted at R4.8 million taking into consideration the inflation rate of 6.1% and the completion of Thusong Centre will affect the cost of cleaning and security services for the municipality.
- Transfer Grants and Donation has been adjusted by R85k due to large number of request for assistance in the community hence Council recommended the increase.
- Other expenditure amounts to R57.8 million which was estimated with the inflation rate of 6.1% as recommended by circular number 85 of National Treasury.
- Capital expenditure estimates allocation gazetted at R26.6 million for Municipal Infrastructure Grant. The Small Town Rehabilitation Grant allocation gazetted at R2 million. The National Electrification Programme Grant for an amount of R13 million, which totals up to R41.6 million.

KZN281 Mfolozi - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| **Revenue By Source** | | | | | | | | | | | |
| Property rates | 2 | 6 012 | 6 450 | 6 857 | 5 663 | 5 663 | 5 663 | 5 663 | 5 975 | 6 303 | 6 650 |
| Service charges - electricity revenue | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - water revenue | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | 2 | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | 2 | 264 | 279 | 312 | 320 | 320 | 320 | 320 | 338 | 356 | 376 |
| Service charges - other | | | | | | | | | | | |
| Rental of facilities and equipment | | 76 | 111 | 142 | 220 | 220 | 220 | 220 | 520 | 520 | 520 |
| Interest earned - external investments | | 312 | 627 | 1 159 | 700 | 400 | 400 | 400 | 800 | 378 | 397 |
| Interest earned - outstanding debtors | | 685 | 933 | 704 | | | | | | | |
| Dividends received | | | | | | | | | | | |
| Fines, penalties and forfeits | | 402 | 10 050 | 4 154 | 642 | 642 | 642 | 642 | 800 | 727 | 712 |
| Licences and permits | | 356 | 726 | 294 | 370 | 370 | 370 | 370 | 400 | 450 | 360 |
| Agency services | | | | | | | | | | | |
| Transfers and subsidies | | 63 719 | 84 975 | 110 211 | 132 714 | 136 714 | 136 714 | 136 714 | 111 909 | 117 739 | 121 256 |
| Other revenue | 2 | 1 754 | 747 | 544 | 2 322 | 2 322 | 2 322 | 2 322 | 15 187 | 10 257 | 14 524 |
| Gains on disposal of PPE | | | | | | | | | | | |
| **Total Revenue (excluding capital transfers and contributions)** | | 73 580 | 104 938 | 124 377 | 142 951 | 146 651 | 146 651 | 146 651 | 135 929 | 136 730 | 144 895 |
| **Expenditure By Type** | | | | | | | | | | | |
| Employee related costs | 2 | 21 555 | 23 467 | 27 307 | 38 188 | 37 261 | 37 261 | 37 261 | 42 515 | 45 878 | 48 515 |
| Remuneration of councillors | | 7 298 | 7 919 | 8 439 | 8 890 | 8 989 | 8 989 | 8 989 | 8 988 | 9 168 | 9 500 |
| Debt impairment | 3 | 280 | 9 495 | 3 762 | | | | | | | |
| Depreciation & asset impairment | 2 | 5 742 | 4 632 | 6 301 | 2 270 | 2 270 | 2 270 | 2 270 | 2 400 | 2 520 | 2 646 |
| Finance charges | | 177 | 310 | 332 | | 750 | 750 | 750 | 500 | 400 | 250 |
| Bulk purchases | 2 | - | - | - | - | - | - | - | - | - | - |
| Other materials | 8 | | | | | | | | | | |
| Contracted services | | 597 | 2 178 | 2 724 | 3 850 | 3 300 | 3 300 | 3 300 | 4 800 | 5 128 | 5 455 |
| Transfers and subsidies | | 4 312 | 5 810 | 11 565 | 510 | 595 | 595 | 595 | 510 | 714 | 750 |
| Other expenditure | 4, 5 | 31 525 | 42 543 | 59 835 | 59 243 | 63 913 | 63 913 | 63 913 | 57 639 | 65 062 | 69 579 |
| Loss on disposal of PPE | | | 56 | | | | | | | | |
| **Total Expenditure** | | 71 856 | 96 411 | 120 265 | 112 951 | 117 078 | 117 078 | 117 078 | 117 552 | 128 930 | 136 705 |
| **Surplus/(Deficit)** | | 1 724 | 8 527 | 4 111 | 30 000 | 29 573 | 29 573 | 29 573 | 18 377 | 7 800 | 8 190 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 25 140 | 37 617 | 31 372 | 32 049 | 22 476 | 22 476 | 22 476 | 41 623 | 37 964 | 45 378 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher | 6 | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies - capital (in-kind - all) | | | | | | | | | | | |
| **Surplus/(Deficit) after capital transfers & contributions** | | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 52 049 | 60 000 | 45 764 | 53 568 |
| Taxation | | | | | | | | | | | |
| **Surplus/(Deficit) after taxation** | | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 52 049 | 60 000 | 45 764 | 53 568 |
| Attributable to minorities | | | | | | | | | | | |
| **Surplus/(Deficit) attributable to municipality** | | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 52 049 | 60 000 | 45 764 | 53 568 |
| Share of surplus/ (deficit) of associate | 7 | | | | | | | | | | |
| **Surplus/(Deficit) for the year** | | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 52 049 | 60 000 | 45 764 | 53 568 |

## Table A5: Budgeted Capital Expenditure Budget by vote, standard classification and funding

The Capital Expenditure is estimated at R60 million for 2017/18 financial year

KZN281 Mfolozi - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

| Vote Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Capital expenditure - Vote | | | | | | | | | | | |
| Multi-year expenditure *to be appropriated* | 2 | | | | | | | | | | |
| EXECUTIVE AND COUNCIL | | – | – | – | – | – | – | – | – | – | – |
| FINANCIAL SERVICES | | – | – | – | – | – | – | – | – | – | – |
| CORPORATE SERVICES | | – | – | – | – | – | – | – | – | – | – |
| COMMUNITY SERVICES | | – | – | – | – | – | – | – | – | – | – |
| TECHNICAL SERVICES | | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 52 049 | 60 000 | 45 764 | 54 568 |
| Vote 6 - [NAME OF VOTE 6] | | – | – | – | – | – | – | – | – | – | – |
| Vote 7 - [NAME OF VOTE 7] | | – | – | – | – | – | – | – | – | – | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – | – |
| Capital multi-year expenditure sub-total | 7 | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 52 049 | 60 000 | 45 764 | 54 568 |
| Single-year expenditure *to be appropriated* | 2 | | | | | | | | | | |
| EXECUTIVE AND COUNCIL | | – | – | – | – | – | – | – | – | – | – |
| FINANCIAL SERVICES | | – | – | – | – | – | – | – | – | – | – |
| CORPORATE SERVICES | | – | – | – | – | – | – | – | – | – | – |
| COMMUNITY SERVICES | | – | – | – | – | – | – | – | – | – | – |
| TECHNICAL SERVICES | | – | – | – | – | – | – | – | – | – | – |
| Vote 6 - [NAME OF VOTE 6] | | – | – | – | – | – | – | – | – | – | – |
| Vote 7 - [NAME OF VOTE 7] | | – | – | – | – | – | – | – | – | – | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – | – |
| Capital single-year expenditure sub-total | | – | – | – | – | – | – | – | – | – | – |
| Total Capital Expenditure - Vote | | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 52 049 | 60 000 | 45 764 | 54 568 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| *Governance and administration* | | – | – | – | – | – | – | – | – | – | – |
| Executive and council | | | | | | | | | | | |
| Finance and administration | | | | | | | | | | | |
| Internal audit | | | | | | | | | | | |
| *Community and public safety* | | – | – | – | – | – | – | – | 20 000 | 15 000 | 18 000 |
| Community and social services | | | | | | | | | 20 000 | 15 000 | 18 000 |
| Sport and recreation | | | | | | | | | | | |
| Public safety | | | | | | | | | | | |
| Housing | | | | | | | | | | | |
| Health | | | | | | | | | | | |
| *Economic and environmental services* | | – | – | – | – | – | – | – | 10 000 | 15 000 | 16 000 |
| Planning and development | | | | | | | | | | | |
| Road transport | | | | | | | | | 10 000 | 15 000 | 16 000 |
| Environmental protection | | | | | | | | | | | |
| *Trading services* | | – | – | – | – | – | – | – | – | – | – |
| Energy sources | | | | | | | | | | | |
| Water management | | | | | | | | | | | |
| Waste water management | | | | | | | | | | | |
| Waste management | | | | | | | | | | | |
| *Other* | | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 52 049 | 30 000 | 15 764 | 20 568 |
| Total Capital Expenditure - Functional | 3 | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 52 049 | 60 000 | 45 764 | 54 568 |
| Funded by: | | | | | | | | | | | |
| National Government | | 26 864 | 46 144 | 31 484 | 32 049 | 36 049 | 36 049 | 36 049 | 39 623 | 37 964 | 39 000 |
| Provincial Government | | | | 4 000 | | 7 000 | 7 000 | 7 000 | 2 000 | 4 000 | 2 000 |
| District Municipality | | | | | | | | | | | |
| Other transfers and grants | | | | | | | | | | | |
| Transfers recognised - capital | 4 | 26 864 | 46 144 | 35 484 | 32 049 | 43 049 | 43 049 | 43 049 | 41 623 | 41 964 | 41 000 |
| Public contributions & donations | 5 | | | | | | | | | | |
| Borrowing | 6 | | | | 17 000 | 7 000 | 7 000 | 7 000 | 3 377 | | |
| Internally generated funds | | | | | 13 000 | 2 000 | 2 000 | 2 000 | 15 000 | 3 800 | 13 568 |
| Total Capital Funding | 7 | 26 864 | 46 144 | 35 484 | 62 049 | 52 049 | 52 049 | 52 049 | 60 000 | 45 764 | 54 568 |

## Table A6: Budgeted Financial Position

- The total current assets budgeted for amounts to R18 million. The current asset is broken down to Cash, Call investment and Other Debtors.
- Property Plant and Equipment was also anticipated at R95 million taking into consideration the increase in inflation rate of 6.1% as recommended by circular number 85.
- No borrowings budgeted for in 2017/18 financial year.

**KZN281 Mfolozi - Table A6 Budgeted Financial Position**

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| ASSETS | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash | | 156 | 3 188 | 211 | 1 891 | 1 891 | 1 891 | 1 891 | 1 500 | 2 400 | 2 000 |
| Call investment deposits | 1 | – | – | – | 6 716 | 6 716 | 6 716 | 6 716 | 10 000 | 8 000 | 6 500 |
| Consumer debtors | 1 | 6 568 | 8 295 | 10 883 | – | – | – | – | – | – | – |
| Other debtors | | 2 164 | 3 957 | 3 099 | 9 258 | 9 258 | 9 258 | 9 258 | 6 500 | 5 000 | 4 500 |
| Current portion of long-term receivables | | | | | | | | | | | |
| Inventory | 2 | | | | | | | | | | |
| Total current assets | | 8 888 | 15 440 | 14 193 | 17 865 | 17 865 | 17 865 | 17 865 | 18 000 | 15 400 | 13 000 |
| Non current assets | | | | | | | | | | | |
| Long-term receivables | | | | | | | | | | | |
| Investments | | | | | | | | | | | |
| Investment property | | | | | | | | | | | |
| Investment in Associate | | | | | | | | | | | |
| Property, plant and equipment | 3 | 95 545 | 140 957 | 183 949 | 91 423 | 81 723 | 81 723 | 81 723 | 95 000 | 98 000 | 95 000 |
| Agricultural | | | | | | | | | | | |
| Biological | | | | | | | | | | | |
| Intangible | | 77 | 44 | 12 | 300 | 300 | 300 | 300 | 320 | 350 | 375 |
| Other non-current assets | | | | | | | | | | | |
| Total non current assets | | 95 622 | 141 001 | 183 960 | 91 723 | 82 023 | 82 023 | 82 023 | 95 320 | 98 350 | 95 375 |
| TOTAL ASSETS | | 104 510 | 156 442 | 198 153 | 109 588 | 99 888 | 99 888 | 99 888 | 113 320 | 113 750 | 108 375 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Bank overdraft | 1 | | | | | | | | | | |
| Borrowing | 4 | – | – | – | – | – | – | – | – | – | – |
| Consumer deposits | | | | | | | | | | | |
| Trade and other payables | 4 | 21 365 | 25 397 | 32 007 | 10 170 | 10 170 | 10 170 | 10 170 | 9 500 | 8 500 | 8 000 |
| Provisions | | | | | | | | | | | |
| Total current liabilities | | 21 365 | 25 397 | 32 007 | 10 170 | 10 170 | 10 170 | 10 170 | 9 500 | 8 500 | 8 000 |
| Non current liabilities | | | | | | | | | | | |
| Borrowing | | 1 550 | 3 361 | 2 979 | 17 000 | 7 000 | 7 000 | 7 000 | – | – | – |
| Provisions | | – | – | – | – | – | – | – | – | – | – |
| Total non current liabilities | | 1 550 | 3 361 | 2 979 | 17 000 | 7 000 | 7 000 | 7 000 | – | – | – |
| TOTAL LIABILITIES | | 22 914 | 28 758 | 34 986 | 27 170 | 17 170 | 17 170 | 17 170 | 9 500 | 8 500 | 8 000 |
| NET ASSETS | 5 | 81 596 | 127 683 | 163 167 | 82 418 | 82 718 | 82 718 | 82 718 | 103 820 | 105 250 | 100 375 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | 81 596 | 127 683 | 163 167 | 82 418 | 82 718 | 82 718 | 82 718 | 103 820 | 105 250 | 100 375 |
| Reserves | 4 | – | – | – | – | – | – | – | – | – | – |
| TOTAL COMMUNITY WEALTH/EQUITY | 5 | 81 596 | 127 683 | 163 167 | 82 418 | 82 718 | 82 718 | 82 718 | 103 820 | 105 250 | 100 375 |

## Table A7: Budgeted Cash Flows

- Property rates the Council is anticipating to collect R5.9 million.
- Service Charges the Council is anticipating to collect R338k.
- Government grants is anticipated to an amount R111 million
- Interest Income is budgeted at R800k.
- Finance Charges for the previous loan applied for which amounts to R7 million.
- Transfer and grants R510k councillors discretion.
- Proceeds represents the grants allocation of R26.6 million for MIG, R13 million for INEG and R2 million for small town rehabilitation grant. Refer to SA30 supporting table
- A capital asset is the amount budgeted for capital expenditure.
- Repayment of the loan borrowed for an amount of R7 million

KZN281 Mfolozi - Table A7 Budgeted Cash Flows

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates | | 6 012 | 4 786 | 3 500 | 5 805 | 6 078 | 6 078 | 6 078 | 5 975 | 6 303 | 6 650 |
| Service charges | | 264 | 279 | 312 | 320 | 320 | 320 | 320 | 338 | 356 | 376 |
| Other revenue | | 1 933 | 781 | 628 | 3 413 | 3 413 | 3 413 | 3 413 | 16 907 | 11 954 | 16 216 |
| Government - operating | 1 | 60 696 | 79 760 | 108 000 | 115 713 | 116 218 | 116 218 | 116 218 | 111 909 | 117 739 | 121 255 |
| Government - capital | 1 | 25 140 | 37 662 | 31 372 | 32 049 | 36 049 | 36 049 | 36 049 | - | - | - |
| Interest | | 996 | 1 560 | 1 862 | 700 | 400 | 400 | 400 | 800 | 378 | 397 |
| Dividends | | | | | | | | | - | - | - |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | (68 312) | (73 910) | (88 223) | (112 441) | (112 441) | (112 441) | (112 441) | (114 142) | (125 296) | (133 059) |
| Finance charges | | | (10) | (20) | | (750) | (750) | (750) | (500) | (400) | (250) |
| Transfers and Grants | 1 | | | | (510) | (595) | (595) | (595) | (510) | (714) | (750) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 26 730 | 50 907 | 47 431 | 45 049 | 48 692 | 48 692 | 48 692 | 20 777 | 10 320 | 10 836 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | | 145 | | | | | | 41 623 | 37 954 | 45 378 |
| Decrease (increase) in non-current debtors | | | | | | | | | - | - | - |
| Decrease (increase) other non-current receivables | | | | | | | | | - | - | - |
| Decrease (increase) in non-current investments | | | | | | | | | - | - | - |
| Payments | | | | | | | | | | | |
| Capital assets | | (29 089) | (50 213) | (49 292) | (62 049) | (52 049) | (52 049) | (52 049) | (60 000) | (45 764) | (53 568) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (29 089) | (50 068) | (49 292) | (62 049) | (52 049) | (52 049) | (52 049) | (18 377) | (7 800) | (8 190) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | | | | | | | | - | - | - |
| Borrowing long term/refinancing | | | | | 17 000 | 7 000 | 7 000 | 7 000 | - | - | - |
| Increase (decrease) in consumer deposits | | | | | | | | | - | - | - |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | 1 669 | 2 194 | (1 117) | | (1 500) | (1 500) | (1 500) | (1 000) | (500) | (490) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 1 669 | 2 194 | (1 117) | 17 000 | 5 500 | 5 500 | 5 500 | (1 000) | (500) | (490) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | (690) | 3 033 | (2 978) | - | 2 143 | 2 143 | 2 143 | 1 400 | 2 020 | 2 246 |
| Cash/cash equivalents at the year begin: | 2 | 846 | 156 | 3 188 | 1 891 | 211 | 211 | 211 | 2 354 | 3 754 | 5 774 |
| Cash/cash equivalents at the year end: | 2 | 156 | 3 188 | 211 | 1 891 | 2 354 | 2 354 | 2 354 | 3 754 | 5 774 | 8 020 |

## Table A8: Cash backed reserves/ Accumulated surplus reconciliation

The table A8 cash backed reserves indicates that the budget is funded because the municipality have a suppliers

KZN281 Mfolozi - Table A8 Cash backed reserves/accumulated surplus reconciliation

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 156 | 3 188 | 211 | 1 891 | 2 354 | 2 354 | 2 354 | 3 754 | 5 774 | 8 020 |
| Other current investments > 90 days | | - | - | - | 6 716 | 6 253 | 6 253 | 6 253 | 7 746 | 4 626 | 480 |
| Non current assets - Investments | 1 | - | - | - | - | - | - | - | - | - | - |
| Cash and investments available: | | 156 | 3 188 | 211 | 8 607 | 8 607 | 8 607 | 8 607 | 11 500 | 10 400 | 8 500 |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | 9 935 | 4 765 | 5 554 | - | - | - | - | - | - | - |
| Unspent borrowing | | - | - | - | - | - | - | | - | - | - |
| Statutory requirements | 2 | | | | | | | | | | |
| Other working capital requirements | 3 | 3 923 | 16 929 | 21 670 | 911 | 646 | 646 | 646 | 3 000 | 3 500 | 3 500 |
| Other provisions | | | | | | | | | | | |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | | | | | | | | | | |
| Total Application of cash and investments: | | 13 858 | 21 694 | 27 234 | 911 | 646 | 646 | 646 | 3 000 | 3 500 | 3 500 |
| Surplus(shortfall) | | (13 702) | (18 506) | (27 023) | 7 696 | 7 961 | 7 961 | 7 961 | 8 500 | 6 900 | 5 000 |

## Table A9: Asset Management

- The asset management has clear indicating the asset management per asset class as per the mSCOA requirements
- The depreciation has also been splited as per the assets class
- The repairs and maintenance has also been splited as per each class of the asset

KZN281 Mfolozi - Table A9 Asset Management

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| **CAPITAL EXPENDITURE** | | | | | | | | | | |
| Total New Assets | 1 | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Roads Infrastructure | | – | – | – | – | – | – | [illegible] | 2 704 | [illegible] |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | – | – | – | – | – | – | – | – | – |
| Water Supply Infrastructure | | – | – | – | – | – | – | – | – | – |
| Sanitation Infrastructure | | – | – | – | – | – | – | – | – | – |
| Solid Waste Infrastructure | | – | – | – | – | – | – | – | – | – |
| Rail Infrastructure | | – | – | – | – | – | – | – | – | – |
| Coastal Infrastructure | | – | – | – | – | – | – | – | – | – |
| Information and Communication Infrastructure | | – | – | – | – | – | – | – | – | – |
| Infrastructure | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Community Facilities | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Sport and Recreation Facilities | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Community Assets | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Heritage Assets | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | – | – | – | – | – | – | 3 377 | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| Other Assets | | – | – | – | – | – | – | 3 377 | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | – | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | – | – | – | – | – | – | – | – |
| Machinery and Equipment | | – | – | – | – | – | – | 4 [illegible] | [illegible] | [illegible] |
| Transport Assets | | – | – | – | – | – | – | 1 [illegible] | [illegible] | 4 000 |
| Libraries | | – | – | – | – | – | – | – | – | – |
| Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| Total Renewal of Existing Assets | 2 | – | – | – | – | – | – | [illegible] | 17 000 | 18 000 |
| Roads Infrastructure | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | – | – | – | – | – | – | – | – | – |
| Water Supply Infrastructure | | – | – | – | – | – | – | – | – | – |
| Sanitation Infrastructure | | – | – | – | – | – | – | – | – | – |
| Solid Waste Infrastructure | | – | – | – | – | – | – | – | – | – |
| Rail Infrastructure | | – | – | – | – | – | – | – | – | – |
| Coastal Infrastructure | | – | – | – | – | – | – | – | – | – |
| Information and Communication Infrastructure | | – | – | – | – | – | – | – | – | – |
| Infrastructure | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Community Facilities | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Sport and Recreation Facilities | | – | – | – | – | – | – | [illegible] | – | – |
| Community Assets | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Heritage Assets | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | – | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| Other Assets | | – | – | – | – | – | – | – | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | – | – | – | – | – | – | [illegible] | [illegible] |
| Furniture and Office Equipment | | – | – | – | – | – | – | 4 000 | – | – |
| Machinery and Equipment | | – | – | – | – | – | – | 2 000 | – | – |
| Transport Assets | | – | – | – | – | – | – | – | – | – |
| Libraries | | – | – | – | – | – | – | – | – | – |
| Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| Total Upgrading of Existing Assets | 6 | – | – | – | – | – | – | – | – | – |
| Roads Infrastructure | | – | – | – | – | – | – | – | – | – |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | – | – | – | – | – | – | – | – | – |
| Water Supply Infrastructure | | – | – | – | – | – | – | – | – | – |
| Sanitation Infrastructure | | – | – | – | – | – | – | – | – | – |
| Solid Waste Infrastructure | | – | – | – | – | – | – | – | – | – |
| Rail Infrastructure | | – | – | – | – | – | – | – | – | – |
| Coastal Infrastructure | | – | – | – | – | – | – | – | – | – |
| Information and Communication Infrastructure | | – | – | – | – | – | – | – | – | – |
| Infrastructure | | – | – | – | – | – | – | – | – | – |
| Community Facilities | | – | – | – | – | – | – | – | – | – |
| Sport and Recreation Facilities | | – | – | – | – | – | – | – | – | – |
| Community Assets | | – | – | – | – | – | – | – | – | – |
| Heritage Assets | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | – | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| Other Assets | | – | – | – | – | – | – | – | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | – | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | – | – | – | – | – | – | – | – |
| Machinery and Equipment | | – | – | – | – | – | – | – | – | – |
| Transport Assets | | – | – | – | – | – | – | – | – | – |
| Libraries | | – | – | – | – | – | – | – | – | – |
| Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| Total Capital Expenditure | 4 | | | | | | | | | |
| Roads Infrastructure | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | – | – | – | – | – | – | – | – | – |
| Water Supply Infrastructure | | – | – | – | – | – | – | – | – | – |
| Sanitation Infrastructure | | – | – | – | – | – | – | – | – | – |
| Solid Waste Infrastructure | | – | – | – | – | – | – | – | – | – |
| Rail Infrastructure | | – | – | – | – | – | – | – | – | – |
| Coastal Infrastructure | | – | – | – | – | – | – | – | – | – |
| Information and Communication Infrastructure | | – | – | – | – | – | – | – | – | – |
| Infrastructure | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Community Facilities | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Sport and Recreation Facilities | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Community Assets | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Heritage Assets | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | – | – | – | – | – | – | 3 377 | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| Other Assets | | – | – | – | – | – | – | 3 377 | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | – | – | – | – | – | – | [illegible] | [illegible] |
| Furniture and Office Equipment | | – | – | – | – | – | – | 4 000 | – | – |
| Machinery and Equipment | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| Transport Assets | | – | – | – | – | – | – | [illegible] | [illegible] | 4 000 |
| Libraries | | – | – | – | – | – | – | – | – | – |
| Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| TOTAL CAPITAL EXPENDITURE - Asset class | | – | – | – | – | – | – | [illegible] | [illegible] | [illegible] |
| **ASSET REGISTER SUMMARY - PPE (WDV)** | 5 | | | | | | | | | |
| Roads Infrastructure | | [illegible] | [illegible] | [illegible] | | | | | | |
| Storm water Infrastructure | | | | | | | | | | |
| Electrical Infrastructure | | | | | | | | | | |
| Water Supply Infrastructure | | | | | | | | | | |
| Sanitation Infrastructure | | | | | | | | | | |
| Solid Waste Infrastructure | | | | | | | | | | |
| Rail Infrastructure | | | | | | | | | | |
| Coastal Infrastructure | | | | | | | | | | |
| Information and Communication Infrastructure | | | | | | | | | | |
| Infrastructure | | [illegible] | [illegible] | [illegible] | – | – | – | – | – | – |
| Community Facilities | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Sport and Recreation Facilities | | | | | | | | | | |
| Community Assets | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Heritage Assets | | | | | | | | | | |
| Revenue Generating | | | | | | | | | | |
| Non-revenue Generating | | | | | | | | | | |
| Investment properties | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | – | – | – |
| Housing | | | | | | | | | | |
| Other Assets | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | – | – | – |
| Biological or Cultivated Assets | | | | | | | | | | |
| Servitudes | | – | | | | | | | | |
| Licences and Rights | | | | | | | | | | |
| Intangible Assets | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | | | | | | | | | |
| Furniture and Office Equipment | | [illegible] | [illegible] | [illegible] | | | | | | |
| Machinery and Equipment | | [illegible] | [illegible] | [illegible] | | | | | | |
| Transport Assets | | [illegible] | [illegible] | [illegible] | | | | | | |
| Libraries | | | | | | | | | | |
| Zoo's, Marine and Non-biological Animals | | | | | | | | | | |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| **EXPENDITURE OTHER ITEMS** | | | | | | | | | | |
| Depreciation | 7 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Repairs and Maintenance by Asset Class | 3 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Roads Infrastructure | | – | – | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | – | – | – | – | – | – | – | – | – |
| Water Supply Infrastructure | | – | – | – | – | – | – | – | – | – |
| Sanitation Infrastructure | | – | – | – | – | – | – | – | – | – |
| Solid Waste Infrastructure | | – | – | – | – | – | – | – | – | – |
| Rail Infrastructure | | – | – | – | – | – | – | – | – | – |
| Coastal Infrastructure | | – | – | – | – | – | – | – | – | – |
| Information and Communication Infrastructure | | – | – | – | – | – | – | – | – | – |
| Infrastructure | | – | – | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Community Facilities | | – | – | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Sport and Recreation Facilities | | – | – | – | – | – | – | – | – | – |
| Community Assets | | – | – | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Heritage Assets | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | [illegible] | [illegible] | – | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Housing | | – | – | – | – | – | – | – | – | – |
| Other Assets | | [illegible] | [illegible] | – | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | [illegible] | – | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Furniture and Office Equipment | | [illegible] | – | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Machinery and Equipment | | [illegible] | – | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Transport Assets | | [illegible] | – | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Libraries | | – | – | – | – | – | – | – | – | – |
| Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| TOTAL EXPENDITURE OTHER ITEMS | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

# Table A10: Basic Service Delivery measurement

KZN281 Mfolozi - Table A10 Basic service delivery measurement

| Description | Ref. | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| **Household service targets** | 1 | | | | | | | | | |
| *Water:* | | | | | | | | | | |
| Piped water inside dwelling | | – | – | – | – | – | – | – | – | – |
| Piped water inside yard (but not in dwelling) | | – | – | – | – | – | – | – | – | – |
| Using public tap (at least min service level) | 2 | – | – | – | – | – | – | – | – | – |
| Other water supply (at least min service level) | 4 | – | – | – | – | – | – | – | – | – |
| *Minimum Service Level and Above sub-total* | | – | – | – | – | – | – | – | – | – |
| Using public tap (< min service level) | 3 | – | – | – | – | – | – | – | – | – |
| Other water supply (< min service level) | 4 | – | – | – | – | – | – | – | – | – |
| No water supply | | – | – | – | – | – | – | – | – | – |
| *Below Minimum Service Level sub-total* | | – | – | – | – | – | – | – | – | – |
| Total number of households | 5 | – | – | – | – | – | – | – | – | – |
| *Sanitation/sewerage:* | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | – | – | – | – | – | – | – | – | – |
| Flush toilet (with septic tank) | | – | – | – | – | – | – | – | – | – |
| Chemical toilet | | – | – | – | – | – | – | – | – | – |
| Pit toilet (ventilated) | | – | – | – | – | – | – | – | – | – |
| Other toilet provisions (> min service level) | | – | – | – | – | – | – | – | – | – |
| *Minimum Service Level and Above sub-total* | | – | – | – | – | – | – | – | – | – |
| Bucket toilet | | – | – | – | – | – | – | – | – | – |
| Other toilet provisions (< min service level) | | – | – | – | – | – | – | – | – | – |
| No toilet provisions | | – | – | – | – | – | – | – | – | – |
| *Below Minimum Service Level sub-total* | | – | – | – | – | – | – | – | – | – |
| Total number of households | 5 | – | – | – | – | – | – | – | – | – |
| *Energy:* | | | | | | | | | | |
| Electricity (at least min service level) | | – | – | – | – | – | – | – | – | – |
| Electricity - prepaid (min service level) | | – | – | – | – | – | – | – | – | – |
| *Minimum Service Level and Above sub-total* | | – | – | – | – | – | – | – | – | – |
| Electricity (< min service level) | | – | – | – | – | – | – | – | – | – |
| Electricity - prepaid (< min service level) | | – | – | – | – | – | – | – | – | – |
| Other energy sources | | – | – | – | – | – | – | – | – | – |
| *Below Minimum Service Level sub-total* | | – | – | – | – | – | – | – | – | – |
| Total number of households | 5 | – | – | – | – | – | – | – | – | – |
| *Refuse:* | | | | | | | | | | |
| Removed at least once a week | | – | – | – | – | – | – | – | – | – |
| *Minimum Service Level and Above sub-total* | | – | – | – | – | – | – | – | – | – |
| Removed less frequently than once a week | | – | – | – | – | – | – | – | – | – |
| Using communal refuse dump | | – | – | – | – | – | – | – | – | – |
| Using own refuse dump | | – | – | – | – | – | – | – | – | – |
| Other rubbish disposal | | – | – | – | – | – | – | – | – | – |
| No rubbish disposal | | – | – | – | – | – | – | – | – | – |
| *Below Minimum Service Level sub-total* | | – | – | – | – | – | – | – | – | – |
| Total number of households | 5 | – | – | – | – | – | – | – | – | – |
| **Households receiving Free Basic Service** | 7 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | – | – | – | – | – | – | – | – | – |
| Sanitation (free minimum level service) | | – | – | – | – | – | – | – | – | – |
| Electricity/other energy (50kWh per household per month) | | – | – | – | – | – | – | – | – | – |
| Refuse (removed at least once a week) | | – | – | – | – | – | – | – | – | – |
| **Cost of Free Basic Services provided - Formal Settlements (R'000)** | 8 | | | | | | | | | |
| Water (6 kilolitres per indigent household per month) | | – | – | – | – | – | – | – | – | – |
| Sanitation (free sanitation service to indigent households) | | – | – | – | – | – | – | – | – | – |
| Electricity/other energy (50kWh per indigent household per month) | | – | – | – | – | – | – | – | – | – |
| Refuse (removed once a week for indigent households) | | – | – | – | – | – | – | – | – | – |
| **Cost of Free Basic Services provided - Informal Formal Settlements (R'000)** | | – | – | – | – | – | – | – | – | – |
| Total cost of FBS provided | | – | – | – | – | – | – | – | – | – |
| **Highest level of free service provided per household** | | | | | | | | | | |
| Property rates (R value threshold) | | | | | | | | | | |
| Water (kilolitres per household per month) | | | | | | | | | | |
| Sanitation (kilolitres per household per month) | | | | | | | | | | |
| Sanitation (Rand per household per month) | | | | | | | | | | |
| Electricity (kwh per household per month) | | | | | | | | | | |
| Refuse (average litres per week) | | | | | | | | | | |
| **Revenue cost of subsidised services provided (R'000)** | 9 | | | | | | | | | |
| Property rates (tariff adjustment) (impermissable values per section 17 of MPRA) | | | | | | | | | | |
| Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA) | | 3 874 | 3 909 | 4 113 | – | – | – | 1 500 | 1 800 | 1 500 |
| Water (in excess of 6 kilolitres per indigent household per month) | | – | – | – | – | – | – | – | – | – |
| Sanitation (in excess of free sanitation service to indigent households) | | – | – | – | – | – | – | – | – | – |
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | | – | – | – | – | – | – | – | – | – |
| Refuse (in excess of one removal a week for indigent households) | | – | – | – | – | – | – | 25 | 26 | 27 |
| Mun del housing - rental rebates | | | | | | | | | | |
| Housing - top structure subsidies | 6 | | | | | | | | | |
| Other | | | | | | | | | | |
| Total revenue cost of subsidised services provided | | 3 874 | 3 909 | 4 113 | – | – | – | 1 525 | 1 826 | 1 527 |

# PART 2 – SUPPORTING DOCUMENTATION

## Section 5- Overview of Annual Budget Process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality Meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Council IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

## Section 6- Overview of alignment of Annual Budget with Integrated Development Plan

- A three (3) year capital budget has been prepared and built on the IDP document to be tabled in Council on the 24th of March 2017.
- This budget compiled in line with the Municipal Budgeting and Reporting Regulation (MBRR) notice no 31804 of 2009 provides comparative financial information over a systematic number of years. The extent of the indigent support granted by Council to indigent households in the municipal area will be determined based on budgetary allocation for a particular financial year and the tariff charges.
- The key focal point of the municipality is ensuring that its budget complies with the following three criteria:

**Sustainability** - to ensure that the municipality has sufficient revenue and adequate corporate and financial stability to fund and deliver on its budget.

**Credibility** - to ensure that the municipality, with its ability and capacity to spend, deliver in terms of its budget.

**Governance** - that the Municipality has appropriate capacity and stability to ensure the long term sustainability of service delivery.

KZN281 Mfolozi - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

| Strategic Objective | Goal | Goal Code | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| PROPERTY RATES | | | | 6 012 | 6 490 | 6 857 | 5 663 | 5 663 | 5 663 | 5 975 | 6 303 | 6 650 |
| SERVICES CHARGE | | | | 264 | 279 | 312 | 320 | 320 | 320 | 338 | 356 | 376 |
| RENTAL OF FACILITIES | | | | 76 | 111 | 142 | 220 | 220 | 220 | 520 | 520 | 520 |
| INTEREST ON INVESTMENT | | | | 312 | 627 | 1 159 | 700 | 400 | 400 | 800 | 378 | 397 |
| INTEREST ON OUTSTANDING DEBTS | | | | 685 | 933 | 704 | | | | | | |
| FINES,PENALITIES AND FORFEITS | | | | 402 | 10 050 | 4 154 | 642 | 642 | 642 | 800 | 727 | 712 |
| LECENCES AN PERMITS | | | | 356 | 725 | 294 | 370 | 370 | 370 | 400 | 450 | 360 |
| TRANSFER AND SUBSUDIES | | | | 63 719 | 84 975 | 110 211 | 132 714 | 136 714 | 136 714 | 111 909 | 117 739 | 121 256 |
| CAPITAL EXPENDITURE GRANTS | | | | 26 894 | 38 364 | 31 916 | 34 371 | 24 798 | 24 798 | 56 810 | 48 321 | 60 002 |
| Allocations to other priorities | | | 2 | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | | 1 | 98 720 | 142 555 | 155 749 | 175 000 | 169 127 | 169 127 | 177 552 | 174 694 | 190 273 |

KZN281 Mfolozi - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

| Strategic Objective | Goal | Goal Code | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| EMPLOYEE RELATED COST | | | | 21 555 | 23 407 | 27 307 | 35 188 | 37 261 | 37 261 | 42 515 | 45 878 | 48 515 |
| REMUNERATION OF COUNCILLORS | | | | 7 225 | 7 919 | 3 439 | 3 850 | 3 950 | 3 950 | 5 028 | 5 168 | 5 500 |
| DEBT IMPAIRMENT | | | | 250 | 5 495 | 3 762 | | | | | | |
| DEPRECIATION AND ASSET IMPAIRMENT | | | | 5 742 | 4 632 | 6 301 | 2 270 | 2 270 | 2 270 | 2 400 | 2 520 | 2 646 |
| FINANCE CHARGES | | | | 177 | 310 | 332 | | 750 | 750 | 500 | 400 | 250 |
| CONTRACTED SERVICES | | | | 957 | 2 178 | 2 724 | 3 850 | 3 300 | 3 300 | 4 600 | 5 183 | 5 465 |
| TRANSFER AND SUBSIDIES | | | | 4 312 | 5 810 | 11 505 | 510 | 505 | 505 | 510 | 714 | 750 |
| OTHER EXPENDITURE | | | | 31 525 | 42 943 | 59 535 | 59 243 | 63 213 | 63 213 | 67 839 | 65 062 | 69 579 |
| LOSS ON DISPOSAL OF FIXED ASSET | | | | | 56 | | | | | | | |
| Allocations to other priorities | | | | | | | | | | | | |
| Total Expenditure | | | 1 | 71 564 | 98 410 | 120 265 | 112 961 | 117 078 | 117 078 | 117 662 | 125 930 | 132 705 |

## Section 7- Measurable Performance Objectives and Indicators

The performance indicators will be included in the Municipal Services Delivery and Budget Implementation Plan (SDBIP) which will be submitted to National and Provincial Treasury

## Section 8- Overview of budget related policies

The municipality has various policies which relate to budgeting and financial management in the municipality. These Financial policies comply with the MFMA and its promulgated regulations. The following budget related policies are:

- Draft Indigent Policy
- Draft Petty Cash Policy
- Draft Subsistence and Travel Allowance Policy
- Draft Investment and Cash Management Policy
- Draft Property Rates Policy
- Draft Supply Chain Management Policy
- Draft Tariff Policy
- Draft Virement Policy
- Draft Anti-fraud Management
- Draft Asset Management Policy
- Draft Budget and Reserve Policy

## Section 9- Overview of budget assumptions

Table A1 to A10 provides the draft budget tables while supporting tables from table SA1 to SA38 is the supporting tables. The following are the assumptions that were done when the budget was prepared.

- Property rates was not affected by the budget as the Council still assumes that it is reasonable to project the collection of R5.9 million on rates taking into account the tariff increase.
- Service Charges refuse, Council believes it is realistic to collect an amount of R338k hence taking into consideration the 5.5% tariff increase.
- Rental of Office building, Council believes it is still realistic to collect R520k taking into consideration the completion of New Thusong Centre.
- Interest on external investments was adjusted by R800k as it is assumed that the municipality will make an investment during 2017/2018 financial year.
- Traffic Fine, traffic unit has employed additional Traffic staff to ensure the collection of R800k so amount budgeted for is realistic.
- Licence and permit has not been adjusted hence Council still anticipate that it is realistic to be collect an amount of R400k.

- Fines, penalties and forfeits is budgeted for at R800k taking into consideration the increase in Traffic personnel hence the Council has assume that the collection of traffic fines will improve.
- Licence and permit has been budgeted for at R400k which has anticipated as being realistic to collect the leaners licence income, building plans and business licences.
- Equitable share the municipality has been gazetted an amount of R107 million, Financial

Management Grant an amount of R1.9 million has been gazetted. For Expanded Public Works Programme Grant has been gazetted an amount of R1.4 million and the Library grant has been gazetted an amount of R1.5 million. The total of R111 909 000 from Transfers and Subsidies included all the grants allocations mentioned above.

- Other income included Vat Refunds, Sale of tender documents and any other income without classification.
- Employee related cost is budgeted at R42.5 million which includes vacant posts. The estimated increase amount to 7.1% as recommended by circular number 85 of Municipal Finance Management Act.
- Remuneration of Councillors is currently budgeted for at 4% taking in to consideration the determination of upper limits for councillors.
- Depreciation is budgeted at R2.4 million taking in to consideration the methods of depreciation.
- Finance charges has been budgeted at R500k as a result of the loan of R7 million which was a results of loan which was taken to fund the Thusong Centre.
- Contracted services budgeted at R4.8 million taking into consideration the inflation rate of 6.1% and the completion of Thusong Centre will affect the cost of cleaning and security services for the municipality.
- Transfer Grants and Donation has been adjusted by R85k due to large number of request for assistance in the community hence Council recommended the increase.
- Other expenditure amounts to R57.8 million which was estimated with the inflation rate of 6.1% as recommended by circular number 85 of National Treasury.
- Capital expenditure estimates allocation gazetted at R26.6 million for Municipal Infrastructure Grant. The Small Town Rehabilitation Grant allocation gazetted at R2 million. The National Electrification Programme Grant for an amount of R13 million, which totals up to R41.6 million.

## Section 10- Overview of budget funding

- The funding from National and Provincial Grants
- Municipal Own Revenue
- Value Added Tax Refunds

## Section 11- Expenditure on allocations of grant programme

- The allocation of grants for equitable share is unconditional
- The allocation received for Finance Management Grant is used as per the Financial Management grant Support Plan.
- The Municipal Infrastructure Grant is utilised as per the support plan submitted to Department of Co-operative Governance.
- Expanded Public Works Programme is also directly utilised as per the support plan submitted to Department of Public Works.
- Sports and Recreation is also utilised as per the support plan submitted to Department of Sports and Recreation.

KZN281 Mfolozi - Supporting Table SA19 Expenditure on transfers and grant programme

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| EXPENDITURE: | 1 | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 59 929 | 75 693 | 105 749 | 110 198 | 110 198 | 110 198 | 123 432 | 126 199 | 137 256 |
| Local Government Equitable Share | | 52 392 | 67 325 | 93 949 | 98 724 | 98 724 | 98 724 | 107 114 | 114 299 | 119 356 |
| Finance Management | | 1 650 | 1 800 | 1 800 | 1 825 | 1 825 | 1 825 | 1 900 | 1 900 | 1 900 |
| Integrated National Electrification Programme | | 4 887 | 5 113 | 9 000 | 8 000 | 8 000 | 8 000 | 13 000 | 10 000 | 16 000 |
| EPWP Incentive | | 1 000 | 1 455 | 1 000 | 1 649 | 1 649 | 1 649 | 1 418 | – | – |
| Other transfers/grants [insert description] | | | | | | | | | | |
| Provincial Government: | | – | – | – | – | 4 000 | 4 000 | – | – | – |
| Sport and Recreation | | | | | | 4 000 | 4 000 | | | |
| Other transfers/grants [insert description] | | | | | | | | | | |
| District Municipality: | | – | – | – | – | – | – | – | – | – |
| *[insert description]* | | | | | | | | | | |
| Other grant providers: | | 3 790 | 9 283 | 4 480 | 1 417 | 1 417 | 1 417 | 1 477 | – | – |
| *OTHER GRANTS* | | 3 790 | 9 283 | 4 480 | | | | | | |
| *LIBRARY GRANT* | | | | | 1 417 | 1 417 | 1 417 | 1 477 | | |
| Total operating expenditure of Transfers and Grants | | 63 719 | 84 976 | 110 229 | 111 615 | 115 615 | 115 615 | 124 909 | 126 199 | 137 256 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 25 140 | 37 617 | 31 372 | 24 049 | 24 049 | 24 049 | 26 623 | 27 964 | 29 378 |
| Municipal Infrastructure Grant (MIG) | | 25 140 | 37 617 | 31 372 | 24 049 | 24 049 | 24 049 | 26 623 | 27 964 | 29 378 |
| Other capital transfers/grants [insert desc] | | | | | | | | | | |
| Provincial Government: | | – | – | – | – | – | – | – | – | – |
| Other capital transfers/grants [insert description] | | | | | | | | | | |
| District Municipality: | | – | – | – | – | – | – | – | – | – |
| *[insert description]* | | | | | | | | | | |
| Other grant providers: | | – | – | – | – | – | – | – | – | – |
| *OTHER GRANTS* | | | | | | | | | | |
| Total capital expenditure of Transfers and Grants | | 25 140 | 37 617 | 31 372 | 24 049 | 24 049 | 24 049 | 26 623 | 27 964 | 29 378 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANT | | 88 859 | 122 592 | 141 601 | 135 664 | 139 664 | 139 664 | 151 532 | 154 163 | 166 634 |

# Section 12- Allocation and grants made by the municipality

The Councillors are allocated funds to uplift communities, indication is attached in supporting table below

KZN281 Mfolozi - Supporting Table SA21 Transfers and grants made by the municipality

| Description | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Cash Transfers to other municipalities | | | | | | | | | | | |
| *Insert description* | 1 | | | | | | | | | | |
| Total Cash Transfers To Municipalities: | | - | - | - | - | - | - | - | - | - | - |
| Cash Transfers to Entities/Other External Mechanisms | | | | | | | | | | | |
| *Insert description* | 2 | | | | | | | | | | |
| Total Cash Transfers To Entities/Ems' | | - | - | - | - | - | - | - | - | - | - |
| Cash Transfers to other Organs of State | | | | | | | | | | | |
| *Insert description* | 3 | | | | | | | | | | |
| Total Cash Transfers To Other Organs Of State: | | - | - | - | - | - | - | - | - | - | - |
| Cash Transfers to Organisations | | | | | | | | | | | |
| *Insert description* | | | | | | | | | | | |
| Total Cash Transfers To Organisations | | - | - | - | - | - | - | - | - | - | - |
| Cash Transfers to Groups of Individuals | | | | | | | | | | | |
| *Insert description* | | | | | | | | | | | |
| WARD COUNCILLORS | | 4 312 | 5 810 | 11 565 | 510 | 595 | 595 | 595 | 510 | 714 | 750 |
| Total Cash Transfers To Groups Of Individuals: | | 4 312 | 5 810 | 11 565 | 510 | 595 | 595 | 595 | 510 | 714 | 750 |
| TOTAL CASH TRANSFERS AND GRANTS | 6 | 4 312 | 5 810 | 11 565 | 510 | 595 | 595 | 595 | 510 | 714 | 750 |
| Non-Cash Transfers to other municipalities | | | | | | | | | | | |
| *Insert description* | 1 | | | | | | | | | | |
| Total Non-Cash Transfers To Municipalities: | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Transfers to Entities/Other External Mechanisms | | | | | | | | | | | |
| *Insert description* | 2 | | | | | | | | | | |
| Total Non-Cash Transfers To Entities/Ems' | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Transfers to other Organs of State | | | | | | | | | | | |
| *Insert description* | 3 | | | | | | | | | | |
| Total Non-Cash Transfers To Other Organs Of State: | | - | - | - | - | - | - | - | - | - | - |
| Non-Cash Grants to Organisations | | | | | | | | | | | |
| *Insert description* | 4 | | | | | | | | | | |
| Total Non-Cash Grants To Organisations | | - | - | - | - | - | - | - | - | - | - |
| Groups of Individuals | | | | | | | | | | | |
| *Insert description* | 5 | | | | | | | | | | |
| Total Non-Cash Grants To Groups Of Individuals: | | - | - | - | - | - | - | - | - | - | - |
| TOTAL NON-CASH TRANSFERS AND GRANTS | | - | - | - | - | - | - | - | - | - | - |
| TOTAL TRANSFERS AND GRANTS | 6 | 4 312 | 5 810 | 11 565 | 510 | 595 | 595 | 595 | 510 | 714 | 750 |

# Section 13- Councillor and board member allowances and employee benefits

KZN251 Mfolozi - Supporting Table SA22 Summary councillor and staff benefits

| Summary of Employee and Councillor remuneration | Ref | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| | 1 | A | B | C | D | E | F | G | H | I |
| **Councillors (Political Office Bearers plus Other)** | | | | | | | | | | |
| Basic Salaries and Wages | | | | | | | | | | |
| Pension and UIF Contributions | | | | | | | | | | |
| Medical Aid Contributions | | | | | | | | | | |
| Motor Vehicle Allowance | | | | | | | | | | |
| Cellphone Allowance | | | | | | | | | | |
| Housing Allowances | | | | | | | | | | |
| Other benefits and allowances | | | | | | | | | | |
| **Sub Total - Councillors** | | – | – | – | – | – | – | – | – | – |
| % increase | 4 | | – | – | – | – | – | – | – | – |
| **Senior Managers of the Municipality** | 2 | | | | | | | | | |
| Basic Salaries and Wages | | | | | | | | | | |
| Pension and UIF Contributions | | | | | | | | | | |
| Medical Aid Contributions | | | | | | | | | | |
| Overtime | | | | | | | | | | |
| Performance Bonus | | | | | | | | | | |
| Motor Vehicle Allowance | 3 | | | | | | | | | |
| Cellphone Allowance | 3 | | | | | | | | | |
| Housing Allowances | 3 | | | | | | | | | |
| Other benefits and allowances | 3 | | | | | | | | | |
| Payments in lieu of leave | | | | | | | | | | |
| Long service awards | | | | | | | | | | |
| Post-retirement benefit obligations | 6 | | | | | | | | | |
| **Sub Total - Senior Managers of Municipality** | | – | – | – | – | – | – | – | – | – |
| % increase | 4 | | – | – | – | – | – | – | – | – |
| **Other Municipal Staff** | | | | | | | | | | |
| Basic Salaries and Wages | | | | | | | | | | |
| Pension and UIF Contributions | | | | | | | | | | |
| Medical Aid Contributions | | | | | | | | | | |
| Overtime | | | | | | | | | | |
| Performance Bonus | | | | | | | | | | |
| Motor Vehicle Allowance | 3 | | | | | | | | | |
| Cellphone Allowance | 3 | | | | | | | | | |
| Housing Allowances | 3 | | | | | | | | | |
| Other benefits and allowances | 3 | | | | | | | | | |
| Payments in lieu of leave | | | | | | | | | | |
| Long service awards | | | | | | | | | | |
| Post-retirement benefit obligations | 6 | | | | | | | | | |
| **Sub Total - Other Municipal Staff** | | – | – | – | – | – | – | – | – | – |
| % increase | 4 | | – | – | – | – | – | – | – | – |
| **Total Parent Municipality** | | – | – | – | – | – | – | – | – | – |
| | | | – | – | – | – | – | – | – | – |
| **Board Members of Entities** | | | | | | | | | | |
| Basic Salaries and Wages | | | | | | | | | | |
| Pension and UIF Contributions | | | | | | | | | | |
| Medical Aid Contributions | | | | | | | | | | |
| Overtime | | | | | | | | | | |
| Performance Bonus | | | | | | | | | | |
| Motor Vehicle Allowance | 3 | | | | | | | | | |
| Cellphone Allowance | 3 | | | | | | | | | |
| Housing Allowances | 3 | | | | | | | | | |
| Other benefits and allowances | 3 | | | | | | | | | |
| Board Fees | | | | | | | | | | |
| Payments in lieu of leave | | | | | | | | | | |
| Long service awards | | | | | | | | | | |
| Post-retirement benefit obligations | 6 | | | | | | | | | |
| **Sub Total - Board Members of Entities** | | – | – | – | – | – | – | – | – | – |
| % increase | 4 | | – | – | – | – | – | – | – | – |
| **Senior Managers of Entities** | | | | | | | | | | |
| Basic Salaries and Wages | | | | | | | | | | |
| Pension and UIF Contributions | | | | | | | | | | |
| Medical Aid Contributions | | | | | | | | | | |
| Overtime | | | | | | | | | | |
| Performance Bonus | | | | | | | | | | |
| Motor Vehicle Allowance | 3 | | | | | | | | | |
| Cellphone Allowance | 3 | | | | | | | | | |
| Housing Allowances | 3 | | | | | | | | | |
| Other benefits and allowances | 3 | | | | | | | | | |
| Payments in lieu of leave | | | | | | | | | | |
| Long service awards | | | | | | | | | | |
| Post-retirement benefit obligations | 6 | | | | | | | | | |
| **Sub Total - Senior Managers of Entities** | | – | – | – | – | – | – | – | – | – |
| % increase | 4 | | – | – | – | – | – | – | – | – |
| **Other Staff of Entities** | | | | | | | | | | |
| Basic Salaries and Wages | | | | | | | | | | |
| Pension and UIF Contributions | | | | | | | | | | |
| Medical Aid Contributions | | | | | | | | | | |
| Overtime | | | | | | | | | | |
| Performance Bonus | | | | | | | | | | |
| Motor Vehicle Allowance | 3 | | | | | | | | | |
| Cellphone Allowance | 3 | | | | | | | | | |
| Housing Allowances | 3 | | | | | | | | | |
| Other benefits and allowances | 3 | | | | | | | | | |
| Payments in lieu of leave | | | | | | | | | | |
| Long service awards | | | | | | | | | | |
| Post-retirement benefit obligations | 6 | | | | | | | | | |
| **Sub Total - Other Staff of Entities** | | – | – | – | – | – | – | – | – | – |
| % increase | 4 | | – | – | – | – | – | – | – | – |
| **Total Municipal Entities** | | – | – | – | – | – | – | – | – | – |
| **TOTAL SALARY, ALLOWANCES & BENEFITS** | | – | – | – | – | – | – | – | – | – |
| % increase | 4 | | – | – | – | – | – | – | – | – |
| **TOTAL MANAGERS AND STAFF** | 5,7 | – | – | – | – | – | – | – | – | – |

# Section 14 -Monthly targets for revenue, expenditure and cash flow

## Budgeted monthly revenue and expenditure table SA25

KZN281 Mfolozi - Supporting Table SA25 Budgeted monthly revenue and expenditure

| Description | Ref | Budget Year 2017/18 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Revenue By Source | | | | | | | | | | | | | | | | |
| Property rates | | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 497 | 503 | 5 975 | 6 303 | 6 650 |
| Service charges - electricity revenue | | | | | | | | | | | | | - | - | - | - |
| Service charges - water revenue | | | | | | | | | | | | | - | - | - | - |
| Service charges - sanitation revenue | | | | | | | | | | | | | - | - | - | - |
| Service charges - refuse revenue | | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 29 | 336 | 356 | 376 |
| Service charges - other | | | | | | | | | | | | | - | - | - | - |
| Rental of facilities and equipment | | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 47 | 520 | 522 | 501 |
| Interest earned - external investments | | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 74 | 800 | 373 | 337 |
| Interest earned - outstanding debtors | | | | | | | | | | | | | - | - | - | - |
| Dividends received | | | | | | | | | | | | | - | - | - | - |
| Fines, penalties and forfeits | | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 66 | 74 | 800 | 727 | 712 |
| Licences and permits | | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 37 | 400 | 465 | 560 |
| Agency services | | | | | | | | | | | | | - | - | - | - |
| Transfers and subsidies | | 37 303 | | | | 37 303 | | | | 37 303 | | | - | 111 909 | 117 738 | 121 256 |
| Other revenue | | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 1 260 | 1 327 | 15 137 | 15 237 | 14 624 |
| Gains on disposal of PPE | | | | | | | | | | | | | - | - | - | - |
| Total Revenue (excluding capital transfers and con | | 39 296 | 1 993 | 1 993 | 1 993 | 39 296 | 1 993 | 1 993 | 1 993 | 39 296 | 1 993 | 1 993 | 2 095 | 135 929 | 136 732 | 144 593 |
| Expenditure By Type | | | | | | | | | | | | | | | | |
| Employee related costs | | 3 450 | 3 450 | 3 450 | 3 450 | 3 450 | 3 450 | 3 450 | 3 450 | 3 450 | 3 450 | 3 450 | 3 555 | 42 516 | 45 270 | 48 519 |
| Remuneration of councillors | | 749 | 749 | 749 | 749 | 749 | 749 | 749 | 749 | 749 | 749 | 749 | 749 | 8 988 | 9 160 | 9 500 |
| Debt impairment | | | | | | | | | | | | | - | - | - | - |
| Depreciation & asset impairment | | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 203 | 2 403 | 2 522 | 2 646 |
| Finance charges | | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 49 | 500 | 400 | 250 |
| Bulk purchases | | | | | | | | | | | | | - | - | - | - |
| Other materials | | | | | | | | | | | | | - | - | - | - |
| Contracted services | | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 420 | 4 800 | 5 152 | 5 456 |
| Transfers and subsidies | | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 51 | 610 | 714 | 750 |
| Other expenditure | | 4 819 | 4 819 | 4 819 | 4 819 | 4 819 | 4 819 | 4 819 | 4 819 | 4 819 | 4 819 | 4 819 | 4 832 | 57 839 | 58 062 | 59 579 |
| Loss on disposal of PPE | | | | | | | | | | | | | - | - | - | - |
| Total Expenditure | | 9 702 | 9 702 | 9 702 | 9 702 | 9 702 | 9 702 | 9 702 | 9 702 | 9 702 | 9 702 | 9 702 | 10 858 | 117 552 | 120 930 | 126 705 |
| Surplus/(Deficit) | | 29 595 | (7 708) | (7 708) | (7 708) | 29 595 | (7 708) | (7 708) | (7 708) | 29 595 | (7 708) | (7 708) | (8 763) | 18 377 | 7 802 | 3 190 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 3 468 | 3 468 | 3 468 | 3 468 | 3 468 | 3 468 | 3 468 | 3 468 | 3 468 | 3 468 | 3 468 | 3 475 | 41 623 | 37 964 | 45 378 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | | | | | | | | | | | | - | - | - | - |
| Transfers and subsidies - capital (in-kind - all) | | | | | | | | | | | | | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 33 063 | (4 240) | (4 240) | (4 240) | 33 063 | (4 240) | (4 240) | (4 240) | 33 063 | (4 240) | (4 240) | (5 288) | 60 000 | 45 764 | 53 568 |
| Taxation | | | | | | | | | | | | | - | - | - | - |
| Attributable to minorities | | | | | | | | | | | | | - | - | - | - |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | | | - | - | - | - |
| Surplus/(Deficit) | 1 | 33 063 | (4 240) | (4 240) | (4 240) | 33 063 | (4 240) | (4 240) | (4 240) | 33 063 | (4 240) | (4 240) | (5 288) | 60 000 | 45 764 | 53 568 |

## Budgeted Monthly revenue and expenditure by Municipal Vote table SA26

KZN281 Mfolozi - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

| Description | Ref | Budget Year 2017/18 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Revenue by Vote | | | | | | | | | | | | | | | | |
| EXECUTIVE AND COUNCIL | | 3 160 | 3 160 | 3 160 | 3 160 | 3 160 | 3 160 | 3 160 | 3 160 | 3 160 | 3 160 | 3 160 | 3 240 | 38 000 | 39 000 | 41 000 |
| FINANCIAL SERVICES | | 5 702 | 5 702 | 5 702 | 5 702 | 5 702 | 5 702 | 5 702 | 5 702 | 5 702 | 5 702 | 5 702 | 5 707 | 68 429 | 69 833 | 87 095 |
| CORPORATE SERVICES | | 1 300 | 1 300 | 1 300 | 1 300 | 1 300 | 1 300 | 1 300 | 1 300 | 1 300 | 1 300 | 1 300 | 1 700 | 16 000 | 16 500 | 19 500 |
| COMMUNITY SERVICES | | 1 125 | 1 125 | 1 125 | 1 125 | 1 125 | 1 125 | 1 125 | 1 125 | 1 125 | 1 125 | 1 125 | 1 125 | 13 500 | 15 600 | 17 300 |
| TECHNICAL SERVICES | | 3 468 | 3 468 | 3 468 | 3 468 | 3 468 | 3 468 | 3 468 | 3 468 | 3 468 | 3 468 | 3 468 | 3 475 | 41 623 | 37 964 | 45 378 |
| Vote 6 - [NAME OF VOTE 6] | | | | | | | | | | | | | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | | | | | | | | | | | | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | | | | | | | | | | | | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | | | | | | | | | | | | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | | | | | | | | | | | | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | | | | | | | | | | | | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | | | | | | | | | | | | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | | | | | | | | | | | | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | | | | | | | | | | | | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | | | | | | | | | | | | - | - | - | - |
| Total Revenue by Vote | | 14 755 | 14 755 | 14 755 | 14 755 | 14 755 | 14 755 | 14 755 | 14 755 | 14 755 | 14 755 | 14 755 | 15 247 | 177 552 | 174 594 | 190 273 |
| Expenditure by Vote to be appropriated | | | | | | | | | | | | | | | | |
| EXECUTIVE AND COUNCIL | | 1 625 | 1 625 | 1 625 | 1 625 | 1 625 | 1 625 | 1 625 | 1 625 | 1 625 | 1 625 | 1 625 | 1 625 | 19 500 | 20 600 | 21 500 |
| FINANCIAL SERVICES | | 1 200 | 1 200 | 1 200 | 1 200 | 1 200 | 1 200 | 1 200 | 1 200 | 1 200 | 1 200 | 1 200 | 1 362 | 15 562 | 28 900 | 22 209 |
| CORPORATE SERVICES | | 1 458 | 1 458 | 1 458 | 1 458 | 1 458 | 1 458 | 1 458 | 1 458 | 1 458 | 1 458 | 1 458 | 1 462 | 17 500 | 18 500 | 19 500 |
| COMMUNITY SERVICES | | 1 833 | 1 833 | 1 833 | 1 833 | 1 833 | 1 833 | 1 833 | 1 833 | 1 833 | 1 833 | 1 833 | 1 837 | 22 000 | 24 000 | 26 000 |
| TECHNICAL SERVICES | | 3 750 | 3 750 | 3 750 | 3 750 | 3 750 | 3 750 | 3 750 | 3 750 | 3 750 | 3 750 | 3 750 | 3 752 | 45 000 | 49 000 | 47 500 |
| Vote 6 - [NAME OF VOTE 6] | | | | | | | | | | | | | - | - | - | - |
| Vote 7 - [NAME OF VOTE 7] | | | | | | | | | | | | | - | - | - | - |
| Vote 8 - [NAME OF VOTE 8] | | | | | | | | | | | | | - | - | - | - |
| Vote 9 - [NAME OF VOTE 9] | | | | | | | | | | | | | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | | | | | | | | | | | | | - | - | - | - |
| Vote 11 - [NAME OF VOTE 11] | | | | | | | | | | | | | - | - | - | - |
| Vote 12 - [NAME OF VOTE 12] | | | | | | | | | | | | | - | - | - | - |
| Vote 13 - [NAME OF VOTE 13] | | | | | | | | | | | | | - | - | - | - |
| Vote 14 - [NAME OF VOTE 14] | | | | | | | | | | | | | - | - | - | - |
| Vote 15 - [NAME OF VOTE 15] | | | | | | | | | | | | | - | - | - | - |
| Total Expenditure by Vote | | 9 866 | 9 866 | 9 866 | 9 866 | 9 866 | 9 866 | 9 866 | 9 866 | 9 866 | 9 866 | 9 866 | 9 826 | 117 552 | 120 930 | 126 705 |
| Surplus/(Deficit) before assoc | | 4 889 | 4 889 | 4 889 | 4 889 | 4 889 | 4 889 | 4 889 | 4 889 | 4 889 | 4 889 | 4 889 | 5 421 | 60 000 | 45 764 | 53 568 |
| Taxation | | | | | | | | | | | | | - | - | - | - |
| Attributable to minorities | | | | | | | | | | | | | - | - | - | - |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | | | - | - | - | - |
| Surplus/(Deficit) | 1 | 4 889 | 4 889 | 4 889 | 4 889 | 4 889 | 4 889 | 4 889 | 4 889 | 4 889 | 4 889 | 4 889 | 5 421 | 60 000 | 45 764 | 53 568 |

# Section 15- Annual Budgets and SDBIP-internal department

KZN281 Mfolozi - Supporting Table SA7 Measureable performance objectives

| Description | Unit of measurement | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| **Vote 1 - vote name** | | | | | | | | | | |
| **Function 1 - (name)** | | | | | | | | | | |
| **Sub-function 1 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Sub-function 2 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Sub-function 3 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Function 2 - (name)** | | | | | | | | | | |
| **Sub-function 1 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Sub-function 2 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Sub-function 3 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Vote 2 - vote name** | | | | | | | | | | |
| **Function 1 - (name)** | | | | | | | | | | |
| **Sub-function 1 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Sub-function 2 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Sub-function 3 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Function 2 - (name)** | | | | | | | | | | |
| **Sub-function 1 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Sub-function 2 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Sub-function 3 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Vote 3 - vote name** | | | | | | | | | | |
| **Function 1 - (name)** | | | | | | | | | | |
| **Sub-function 1 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Sub-function 2 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Sub-function 3 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Function 2 - (name)** | | | | | | | | | | |
| **Sub-function 1 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Sub-function 2 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Sub-function 3 - (name)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **And so on for the rest of the votes** | | | | | | | | | | |

*1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3))*
*2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities*
*3. Only include prior year comparative information for individual measures where relevant activity occurred in trial years*

KZN281 Mfolozi - Entities measureable performance objectives

| Description | Unit of measurement | 2013/14 | 2014/15 | 2015/16 | Current Year 2016/17 | | | 2017/18 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| **Entity 1 - (name of entity)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Entity 2 - (name of entity)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **Entity 3 - (name of entity)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
| **And so on for the rest of the Entities** | | | | | | | | | | |

## Section 16 - Annual Budget and service delivery agreements and other external mechanisms

The list of external mechanisms which will be assisting with maintaining and ensuring that service delivery is achieved at higher level.

KZN281 Mfolozi - Supporting Table SA32 List of external mechanisms

| External mechanism<br>Name of organisation | Yrs/ Mths | Period of agreement 1.<br>Number | Service provided | Expiry date of service delivery agreement or contract | Monetary value of agreement 2.<br>R thousand |
|---|---|---|---|---|---|
| PROTEA CONSULTING | Yrs | 3 | PERFORMANCE MANAGEMENT SYSTEM | | |
| UMNOTHO BUSINESS CONSULTING | Yrs | 3 | INTERNAL AUDIT MATTER | | |

## Section 17 - Contracts having future budgetary implications

The Council does not have contracts with future budgetary implication

KZN281 Mfolozi - Supporting Table SA33 Contracts having future budgetary implications

| Description | Ref | Preceding Years | Current Year 2016/17 | 2017/18 Medium Term Revenue & Expenditure Framework | | | Forecast 2020/21 | Forecast 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 | Forecast 2025/26 | Forecast 2026/27 | Total Contract Value |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 1, 3 | Total | Original Budget | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate | Estimate |
| Parent Municipality: | | | | | | | | | | | | | | |
| Revenue Obligation By Contract | 2 | | | | | | | | | | | | | |
| *Contract 1* | | | | | | | | | | | | | | - |
| *Contract 2* | | | | | | | | | | | | | | - |
| *Contract 3 etc* | | | | | | | | | | | | | | - |
| Total Operating Revenue Implication | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Expenditure Obligation By Contract | 2 | | | | | | | | | | | | | |
| *Contract 1* | | | | | | | | | | | | | | - |
| *Contract 2* | | | | | | | | | | | | | | - |
| *Contract 3 etc* | | | | | | | | | | | | | | - |
| Total Operating Expenditure Implication | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital Expenditure Obligation By Contract | 2 | | | | | | | | | | | | | |
| *Contract 1* | | | | | | | | | | | | | | - |
| *Contract 2* | | | | | | | | | | | | | | - |
| *Contract 3 etc* | | | | | | | | | | | | | | - |
| Total Capital Expenditure Implication | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Parent Expenditure Implication | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Entities: | | | | | | | | | | | | | | |
| Revenue Obligation By Contract | 2 | | | | | | | | | | | | | |
| *Contract 1* | | | | | | | | | | | | | | - |
| *Contract 2* | | | | | | | | | | | | | | - |
| *Contract 3 etc* | | | | | | | | | | | | | | - |
| Total Operating Revenue Implication | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Expenditure Obligation By Contract | 2 | | | | | | | | | | | | | |
| *Contract 1* | | | | | | | | | | | | | | - |
| *Contract 2* | | | | | | | | | | | | | | - |
| *Contract 3 etc* | | | | | | | | | | | | | | - |
| Total Operating Expenditure Implication | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital Expenditure Obligation By Contract | 2 | | | | | | | | | | | | | |
| *Contract 1* | | | | | | | | | | | | | | - |
| *Contract 2* | | | | | | | | | | | | | | - |
| *Contract 3 etc* | | | | | | | | | | | | | | - |
| Total Capital Expenditure Implication | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Entity Expenditure Implication | | - | - | - | - | - | - | - | - | - | - | - | - | - |

# Section 18 - Capital Expenditure Details

## Budgeted Monthly Capital Expenditure by functional classification

KZN281 Mfolozi - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

| Description | Ref | Budget Year 2017/18 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | July | August | Sept | October | Nov | Dec | January | Feb | March | April | May | June | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| Capital Expenditure - Functional | 1 | | | | | | | | | | | | | | | |
| Governance and administration | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Executive and council | | | | | | | | | | | | | - | - | - | - |
| Finance and administration | | | | | | | | | | | | | - | - | - | - |
| Internal audit | | | | | | | | | | | | | - | - | - | - |
| Community and public safety | | 1 660 | 1 660 | 1 660 | 1 660 | 1 660 | 1 660 | 1 660 | 1 660 | 1 660 | 1 660 | 1 660 | 1 740 | 20 000 | 15 000 | 16 000 |
| Community and social services | | 1 660 | 1 660 | 1 660 | 1 660 | 1 660 | 1 660 | 1 660 | 1 660 | 1 660 | 1 660 | 1 660 | 1 740 | 20 000 | 15 000 | 16 000 |
| Sport and recreation | | | | | | | | | | | | | - | - | - | - |
| Public safety | | | | | | | | | | | | | - | - | - | - |
| Housing | | | | | | | | | | | | | - | - | - | - |
| Health | | | | | | | | | | | | | - | - | - | - |
| Economic and environmental services | | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 10 000 | 15 000 | 16 000 |
| Planning and development | | | | | | | | | | | | | - | - | - | - |
| Road transport | | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 10 000 | 15 000 | 16 000 |
| Environmental protection | | | | | | | | | | | | | - | - | - | - |
| Trading services | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Energy sources | | | | | | | | | | | | | - | - | - | - |
| Water management | | | | | | | | | | | | | - | - | - | - |
| Waste water management | | | | | | | | | | | | | - | - | - | - |
| Waste management | | | | | | | | | | | | | - | - | - | - |
| Other | | 2 500 | 2 500 | 2 500 | 2 500 | 2 500 | 2 500 | 2 500 | 2 500 | 2 500 | 2 500 | 2 500 | 2 500 | 30 000 | 15 764 | 20 560 |
| Total Capital Expenditure - Functional | 2 | 5 010 | 5 010 | 5 010 | 5 010 | 5 010 | 5 010 | 5 010 | 5 010 | 5 010 | 5 010 | 5 010 | 4 090 | 60 000 | 45 764 | 54 560 |
| Funded by: | | | | | | | | | | | | | | | | |
| National Government | | 3 051 | 3 051 | 3 051 | 3 051 | 3 051 | 3 051 | 3 051 | 3 051 | 3 051 | 3 051 | 3 051 | 4 082 | 39 523 | 37 964 | 39 000 |
| Provincial Government | | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 174 | 2 000 | 4 000 | 2 000 |
| District Municipality | | | | | | | | | | | | | - | - | - | - |
| Other transfers and grants | | | | | | | | | | | | | - | - | - | - |
| Transfers recognised - capital | | 3 217 | 3 217 | 3 217 | 3 217 | 3 217 | 3 217 | 3 217 | 3 217 | 3 217 | 3 217 | 3 217 | 4 256 | 41 523 | 41 964 | 41 000 |
| Public contributions & donations | | | | | | | | | | | | | - | - | - | - |
| Borrowing | | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 296 | 3 377 | - | - |
| Internally generated funds | | 1 250 | 1 250 | 1 250 | 1 250 | 1 250 | 1 250 | 1 250 | 1 250 | 1 250 | 1 250 | 1 250 | 1 250 | 15 000 | 3 800 | 13 560 |
| Total Capital Funding | | 4 748 | 4 748 | 4 748 | 4 748 | 4 748 | 4 748 | 4 748 | 4 748 | 4 748 | 4 748 | 4 748 | 5 772 | 60 000 | 45 764 | 54 560 |

# Section 19 - Legislative compliance status

The Council of uMfolozi Municipality has complied with all the minimum requirements in terms of implementation of the Municipal Standard Charts of Accounts to ensure that the system is effectively implemented before the 01st of July 2017. The Council is also running parallel systems for Payroll related matters. The VIP and Payday system.

# Section 20 – Other supporting documents

Delays on the new Constructed Thusong Centre

KZN281 Mfolozi - Supporting Table SA37 Projects delayed from previous financial years

| Municipal Vote/Capital project | Ref | Project name | Project number | Asset Class 2 | Asset Sub-Class 3 | GPS co-ordinates 4 | Previous Target year to complete | Current Year 2016/17 Original Budget | Current Year 2016/17 Full Year Forecast | 2017/18 Medium Term Revenue & Expenditure Framework Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Parent municipality: List all capital projects grouped by Municipal Vote | | | | Examples | Examples | | | | | | | |
| MFOLOZI MUNICIPALITY | | CONSTRUCTION OF THUSONG CENTRE | | Community Buildings | Building Plan Offices | | 2019 | 17 000 | 7 000 | 3 377 | - | - |
| Entities: List all capital projects grouped by Municipal Entity | | | | | | | | | | | | |
| Entity Name Project name | | | | | | | | | | | | |

## Section 21- Municipal manager's quality certification

**Municipal Managers quality certification**

# QUALITY CERTIFICATE

*I, **K.E GAMEDE**, municipal manager of **uMFOLOZI LOCAL MUNICIPALITY**, hereby certify that the Draft Annual Budget and supporting have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act and that the Draft Annual Budget and supporting documentation are consistent with the Integrated Development Plan of municipality.*

**K.E GAMEDE**
**MUNICIPAL MANAGER**

Of

**uMFOLOZI LOCAL MUNICIPALITY**

**SIGNATURE**

**DATE:** 2017. 04. 04.